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VIA ELECTRONIC FILING

Mr. Charles L.A. Terreni, Esquire
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Dr., Suite 100
Columbia, SC 29210

Re: Petition of Progress Energy Carolinas, Incorporated for Authorization to Defer as a Regulatory Asset the Depreciation Expense and Incremental Operation and Maintenance Expenses That Will Be Incurred to Install Pollution Control Facilities

Docket No. 2008-435-E

Dear Mr. Terreni:

On November 26, 2008, Progress Energy Carolinas, Incorporated filed a Petition for authorization to defer as a regulatory asset the depreciation expense and incremental operation and maintenance expenses related to the installation of pollution control facilities.

The Office of Regulatory Staff has reviewed the Petition and has no objection to the Company's request.

Respectfully submitted,

Shealy Boland Reibold

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cc: Len Anthony, Esquire